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CGD SEVEN (m)  
Policy Ltr 11-98

From: Commander, Seventh Coast Guard District (m)  
To: Distribution

Subj: LEGALITY OF GAMBLING VESSEL OPERATIONS

Ref: (a) 15 U.S.C. 1175  
(b) 18 U.S.C. 1082 & 1083  
(c) 26 U.S.C. 4472  
(d) U.S. v. One Big Six Wheel

1. References (a) through (c) govern gambling operations on board vessels operating from U. S. ports. This policy letter consolidates those sections, along with the decision rendered by the U.S. District Court contained in reference (d), into a single document to assist in dealing with gambling vessel issues, and provides examples of situations that may arise. Commander (m), Coast Guard District Seven Policy Letter 2-97 is hereby cancelled.

- a) Gambling on U.S.-flagged vessels outside the territorial waters (3 nm) of the U.S. is authorized for vessels on covered voyages only. References (c) and (d) define covered voyages to mean voyages of: (1) a commercial passenger vessel which extends over 1 or more nights, or (2) a commercial vessel transporting passengers engaged in gambling aboard the vessel beyond the territorial waters of the United States, during which passengers embark or disembark the vessel in the United States. Reference (d) further defines covered voyage to mean that the voyage must originate and end in the same port.
- b) Gambling on U.S.-flagged vessels in inland waters subject to the State's jurisdiction.

**Example:** The State of Louisiana allows gambling on certain U.S.-flagged vessels on certain state waters.

- c) Gambling on foreign-flagged vessels in U.S. Territorial/State waters is prohibited by Reference (b).
- d) Gambling on foreign-flagged vessels is allowed outside the territorial waters of the U.S.

**Example:** Foreign-flagged cruise ships calling in South Florida ports can not operate their casinos while in port. They must wait until they have passed outside the territorial waters of the U.S. to open their casinos.

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- e) It is unlawful to operate or use, or to permit the operation or use of a vessel for the carriage of passengers, for hire or otherwise, between a point or place within the U.S. territorial waters and a gambling ship on the High Seas (reference (b)).

**Example 1:** A vessel shuttles passengers from Key West to a Cruise/Casino vessel stationed 7 miles offshore; this would be illegal as per reference (b).

**Example 2:** A vessel (U.S.-flagged only) shuttles passengers from Key West to a Cruise/Casino vessel stationed 2.9 miles offshore; this would be legal as long as the Cruise/Casino vessel suspended gambling while in U.S. territorial/State waters.

This policy letter is not intended to be the answer for all instances, but will provide general guidance and aid in evaluating the legality of existing or proposed Cruise/Casino vessel operations.

WILLIAM H. FELS  
By direction

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